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EDGAR SNOWDEN, JR.

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**POFFICE—No. 104 King street, over 8.one's, (formerly French's) Book Store.

FROM THE ARMY OF THE POTOMAC.

Yesterday, scouts report an increased body of Confederate cavalry near Harper's Ferry, supported by several regiments of infantry.

Other accounts state that there was no Confederate force at Martinsburg, except a body of cavalry, besides some few cavalry scattered between that place and the Potomac.

It was also rumored that at an early hour vesterday morning the entire Confederate army were on the various roads to Winchester, and moving rapidly for that place.

At a late hour last night there was nothing definite or official as to the precise situation of affairs, or the position of the contending armies, on the Upper Potomac.

There has as yet been no official announcement made of General Kelley's and General Averill's reconoissance and fight made on last Monday and Tuesday. General Kelly commands the forces in Western Virginia, and General Averill commands the cavalry in General Kelley's department.

It is stated that these officers met a much larger force than they anticipated somewhere between Martinsburg and Hancock, and that after a sharp conflict they retired toward Hancock. The losses on either side were not stated, nor were the number of troops engaged ascertained.

The Army correspondent of the N. Y. Tribune, says, under date of June 21. - "On Monday last General Kelly, who from the beginning of the war has guarded night and day so great a length of the Baltimore and Ohio Railroad, and under whose watchful eye it has again and again risen from its own ruins to spirited life-who had protected the new reconstruction as far eastward as Back Creek and the North Mountain, seven miles west of Martinsburg, was driven back 15 miles to Hancock. Gen. Averill, with his noted cavalry force, accompanied, if he did not conduct, the retrogade movement. It is plain that the fight in which Gregg's force played so spirited a part was a disaster for us-one far from insignificant, when we regard it in the moral light of our cavalry fight. A force sent out a few days since on an important reconnoissance, under Major Farnsworth and other officers, has been captured between Charlestown and Harpel's Ferry."

The Postoffice Department will resume mail communication between the West and New Orleans, by the Mississippi river, as soon as it shall ascertain that it can be done with safety. The mails between the Atlantic cities and New look will continue to be carried in the usual say.

Judge Olin, yesterday vacated the decree santed the day before divorcing Mrs. Ellen Rolf, from her husband Mr. Solomon Wolf.

The War in the Southwest and West.

The reports of the Federal success at Jackson, Yazoo City and Natchez are confirmed.— Large amounts of munitions of war were captured at these places. The Confederate forces under Gen. Johnston, estimated at thirty thousand, were at Brandon at last accounts.— Confederate cavalry were concentrating at Dupala, with the intention, it is supposed, of making a dash on the Federal lines.

General Morgan crossed the Muskingum river eighteen miles below Zanesville, Ohio, yesterday morning. His force numbered about one thousand, with three pieces of artillery.— Twenty-five citizen scouts were captured by the Confederates at Deavertown on Wednesday night. There was great excitement at Zanesville, all business being suspended, and the citizens arming to resist Morgan's progress. The latest accounts say that Gen. Morgan passed round the city, and was supposed to be making his way to the Ohio river.

After the surrender of Port Hudson, Gen. Banks, it is said, immediately pushed some of his troops down the Mississippi to operate against the Confederates west of the river. A sharp affair occurred at Donaldsonville on the 13th.

On the evening of the 9th instant, several transports left Port Hudson with Weitzel's and Dudley's brigades, under command of Brig. Gen. Grover, and went to Donaldsonville with the intention of "cleaning out" the batteries near that place. When the troops were a few miles from Donaldsonville, whilst advancing slowly, the Thirtieth Massachusetts regiment being in advance, encountered a Confederate regiment in a cane-field. They raised a shout as if they were about to rush out and attack the regiment, whereupon the Massachusetts men immediately fired, without doing much damage to the Confederates, who then rushed out and assaulted the regiment. The Federals had just discharged their pieces and their bayonets, it is said, were unfixed. The result was, the killing and wounding of about one hundred and fifty, and the capture of the three field-pieces-a section of one of the batteries-which accompanied the regiment.-The Confederates took away the pieces and retreated in good order, while the Thirtieth Massachusetts fell back to the main body.

General Sherman had charged upon Johnston's forces, but they so far escaped that capturing them was out of the question. Only a few stragglers, a few guns and some ammunition were taken. A portion of General Sherman's army is now in Jackson, which is his headquarters, while the remainder are on their way back to Vicksburg.

Dr. Geo. W. S. Bickley, the founder of the Order of the Knights of the Golden Circle, was arrested in New Albany, Indiana, the other day, and committed to the Louisville military prison

THE CONFISCATION CASES were taken up in the District Court, in Washington, a few days ago, and yesterday Judge Wylie made his decision in the matter of the property of Dr. Garnett, now in the South.

The Judge remarked that it was an important case, and was the first that had been argued before the court. It had been fully argued by the District Attorney with great learning and ability, who asked upon the pleadings, consisting of seizure, information, publication and proclamation, without substantive proof, a decree of condemnation. He had doubted at first, but upon reason and authority he was satisfied that it was his duty to grant the decree.

The act of Congress did not as was generally supposed, treat the inhabitants of the socalled Confederate States as traitors, but as alien enemies, and in that point of view, by the law of nations, their property of every description is liable to absolute forfeiture and alienation to the use of the Government .-There is no distinction between personal property and real estate nor did the Constitution as was supposed forbid the absolute forfeiture of real estate. But the joint resolution passed by Congress on the same day as the confiscation act, under the provision of which this property is sought to be confiscated, was a declaration by them that in a spirit of kindness, they would confiscate the real estate of the rebel only during his lifetime. He was bound by that resolution and would therefore condemn the real estate during the lifetime of the owner, and the personal property absolutely. Judge Wylie referred to a large number of authorities, among them acts of the Maryland and Pennsylvania Assemblies confiscating absolutely the property of Americans who remained loyal to the British Crown during the Revolution.

After this decision of the Judge the District Attorney asked leave to dispose of some twenty other cases which depended on the same principles, which request was granted, and the decrees of condemnation in the cases of the following parties were ordered: Thomas D. Allen, Francis Hanna, E. A. Pollard, Chas. S. Wallach, Cornelius Boyle, French Forrest, John N. Maffit, C. W. C. Dunington, Martin L. Smith, Daniel and Mary F. Radcliffe, E. M. Clark, Samuel Lee, Henry B. Tyler, Wm. F. Phillips, C. W. Havenner, Lavinia Boyle and Samuel L. Lewis.

The case of Wm. Shields was continued to the next term; testimony ordered to be taken, he having filed an answer. He is now, we believe with the British Consul in Baltimore.

The case of Dr. James J. Warring was also continued, and testimony ordered; an answer having been filed by Rev. G. W. Sampson.

Major McCook has died of wounds received at the fight with Morgan's men, near Buffington Island, Onio. Major McCook was sixty-seven years old and was well known in Washington, having been a clerk in the Pension Department two or three years when the war began. He has been a paymaster in the U.S. army about ten months past. He had eight sons, who have all been in the U.S. service, except one.

The Commissioner of Internal Revenue has decided that where corporations make profits without declaring dividends, they must be taxed on these profits precisely as if a dividend had been declared.